



Was there a CDLE data breach?

No, there has been no data breach. Like other states, Colorado continues to see increased unemployment fraud activity. Many Colorado employers are noticing fraudulent unemployment claims being filed in the names of active employees or for people who never worked for them.

Fraud within Unemployment Insurance programs nationally has become rampant during the Pandemic. The Pandemic Unemployment Assistance (PUA) program under the CARES Act has been a relatively easier target, as it does not have the same checks and balances inherent in the state UI system. Colorado was one of the first agencies to begin an aggressive fraud detection and prevention program when this issue began to present itself. To date, CDLE has stopped over 800,000 fraudulent claims, and has likely prevented over \$7 billion in fraudulent payments. These are sophisticated criminal rings that use Personally Identifiable information, including social security numbers, to file claims on behalf of unsuspecting victims. We speculate that the sheer volume of this identity theft is the result of one or several data breaches that have occurred over the past few years, which compromised hundreds of millions of identities. As the Cares Act Unemployment Insurance programs expired at the end of 2020, we suspect these fraudsters have shifted their effort to State Unemployment Insurance systems because we saw large upticks in initial claims.

If you receive unemployment paperwork on an active employee, we recommend that you notify that employee that they are likely a victim of identity theft and should take immediate precautions. While unemployment is relatively harmless to the victim's credit, these criminals could make other transactions using these identities, which has the potential to cause irreparable damage to the victim's credit. CDLE is committed to take every possible measure to prevent fraud within the Unemployment system, though it is an uphill battle.

Where do I report Identity Theft?

As an employer

you can report suspected identity theft on our Unemployment Identity Theft Form for Employers.

Your employees

should also report on the Unemployment Identity Theft Form for Individuals.

Is the form to report identity theft secure?

The form uses a system called FormAssembly. FormAssembly keeps up with the latest protocols to ensure security per the National Institute of Standards and Technology (NIST), Cybersecurity Framework. FormAssembly uses TLS 1.2 to ensure data is transmitted securely.

All Personal Identifying information (PII), specifically SSNs are marked as sensitive data to further protect the data within the system. Additionally, reCAPTCHA is used to prevent spam submissions to the form. We follow State protocols for purging, storing, and accessing SSNs.

Is CDLE sending out PII?

Our employer correspondence masks an employee's full SSN, showing the last 4 numbers.

Will my premiums be impacted by fraudulent claims?

If any benefits were paid that would charge against your account prior to the claim being closed as a fraudulent claim, once the claim was closed for the fraudulent activity, your account is credited for any benefits that might have been paid. As such, payment of any of those benefits will not impact your experience rating when your premium rates are calculated.

Do I need to appeal these claims and benefit charges?

No, you do not need to appeal decisions issued or protest benefits charged to your account on claims filed as a result of identity theft. It is possible you received a decision issued automatically on a claim that was closed due to fraudulent activity. While our hope is to provide documentation at some point that these claims have been closed to reduce confusion and provide certainty to you, rest assured that payment has been stopped as long as you completed the Identity Theft Report.

What do I do with a job separation request for an employee still on payroll?

When a claim is filed using the stolen identity of one of your employees, you receive a fact-finding questionnaire by email or U.S. mail requesting information about the job separation. If your employee is still employed, **DO NOT complete that questionnaire in MyUI Employer, the paper form you may have received, or the SIDES request.** Instead, please file a Fraud Report on our website. Employees who are the victim of unemployment ID Theft should also submit an ID Theft Report online. They should visit ColoradoUI.gov, click the "Report ID Theft" button, then the "Submit an ID Theft Report" button. Our website also outlines other important steps that employees who are victims of UI fraud should take.

What happens after I submit a report?

After completing the "Submit an ID Theft Report" form, we will hold payment from being issued on the claim, pending investigation. However, you may continue to receive paperwork that's automatically generated. Rest assured, the report was received, and the claim is under investigation. We understand how unsettling this experience can be. We take any fraud seriously and work daily with law enforcement and other agencies to investigate and prosecute this behavior. If you haven't yet, we encourage you to review our tips on protecting yourself against fraud.